

BILL NO. BL2018-1439 (SLEDGE) – This ordinance would amend the Metropolitan Code to authorize the Metropolitan Housing Trust Fund Commission to rescind grant contracts and collect or “claw back” funds that were previously allocated if grant recipients fail to execute contractual obligations.

The Metropolitan Housing Trust Fund Commission oversees the management and operation of the Barnes Fund for Affordable Housing. The Commission enters into grant contracts with eligible nonprofit or civic organizations to renovate or construct affordable housing and rental opportunities and otherwise supports efforts to encourage affordability. Commission members report that in certain instances, previously funded projects have remained dormant or inactive for months, if not years, effectively limiting the availability of grants funding for other projects.

This ordinance would authorize the Metropolitan Housing Trust Fund to rescind grant contracts and collect previous allocated grant funds if the recipient organization fails to complete its obligations under the grant contract within twenty-four (24) months from execution. This would be subject to the terms and conditions contained in the grant contract.

Fiscal Note: As in the case of all grants with “claw back” provisions, if the grant terms are not met, the money would be returned to the pool of available grant dollars. When (and if) this occurs, the money would then be available for a subsequent award to other potential grantees.